Message Text

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17

ACTION EA-10

INFO OCT-01 EUR-12 IO-10 ISO-00 CIAE-00 DODE-00 PM-03 H-01

INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

SS-15 USIA-06 EB-07 OES-03 AGR-05 FEA-01 COME-00

INT-05 ACDA-05 XMB-02 /105 W

----- 016214

R 040623Z FEB 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 4972

INFO ERDA GERMANTOWN

USMISSION EC BRUSSELS

USEC MISSION BRUSSELS UNN

USMISSION IAEA VIENNA

AMEMBASSY TOKYO

AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

CONFIDENTIAL CANBERRA 0770

EA/ANP PASS TO AMBASSADOR MARSHALL GREEN

FOR EXIM CHAIRMAN CASEY

E.O. 11652: GDS

TAGS: TECH, ENRG, BEXP, PARM, AS

SUBJ: URANIUM ENRIGHMENT: NEW READING ON USG ATTITUDE TOWARD POSSIBLE AUSTRALIAN PLANT

REF: (A) CANBERRA 535; (B) STATE 239361 (NOTAL); (C) CANBERRA 7198 (NOTAL); (D) CANBERRA 5638 (NOTAL); (E) STATE 185499 (NOTAL); (F) CANBERRA 4649

SUMMARY: EMBASSY NOTES VARIOUS EVENTS WHICH HAVE OCCURRED SINCE DEPARTMENT LAST PROVIDED COMMENTS CONFIDENTIAL

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ON USG ATTITUDES TOWARD POSSIBLE AUSTRALIAN UNRANIUM

ENRICHMENT PLANT AND REQUESTS MORE CURRENT GUIDANCE. END SUMMARY.

1. THREE MONTHS HAVE PASSED SINCE EMBASSY RECEIVED LAST COMMENT FROM DEPARTMENT (REF B) ON USG ATTITUDES ON POSSIBLE URANIUM ENRICHMENT PLANT IN AUSTRALIA. SIX MONTHS AGO WE RECEIVED THE MOST DEFINITIVE GUIDANCE YET (REF E) ON USG POSITION. SINCE THEN, VARIOUS EVENTS AFFECTING PROSPECTS FOR LOCAL PLANT HAVE OCCURRED: PRIME MINISTER WHITLAM RECENTLY VISITED EUROPE AND HELD IMPORTANT TALKS WITH URENCO. EURODIF, EC AND OTHER OFFICIALS (REF A); JAPANESE HAVE APPARENTLY DISAPPOINTED AUSTRALIANS WITH THEIR LACK OF ENTHUSIASM FOR GOA-GOJ JOINT STUDY OF LOCAL PLANT AGREED TO AT WHITLAM-TANAKA SUMMIT LAST OCTOBER: GOA HAS APPROVED (REF C) DEVELOPMENT OF RANGER DEPOSIT AND SPELLED OUT ITS URANIUM POLICY IN GREATER DETAIL; GOA DECLINED TO JOIN INTERNATIONAL ENERGY AGENCY, FORECLOSING POSSIBILITY (MENTIONED PARA 5 OF REF B) IT COULD OBTAIN INFORMATION ON AVAILABLE TECHNOLOGIES AND RELATED MATTERS IN THAT FORUM; AND EXIM BANK CHAIRMAN CASEY, DURING RECENT CANBERRA VISIT, INFORMALLY DISCUSSED WITH EMBASSY OFFICER US EXPORT OPPORTUNITIES INVOLVED IN PROJECT AND EXPRESSED INTEREST IN EXPLORING SITUATION AFTER HIS RETURN TO WASHINGTON. MEANWHILE, WORLD ENERGY SITUATION HAS CONTINUED TO TIGHTEN, FURTHER BRIGHTENING AUSTRALIA'S PROSPECTS AS MAJOR URANIUM EXPORTER AND STRENGTHENING GOA LEVERAGE FOR OBTAINING FOREIGN COLLABORATION IN BUILDING AUSTRALIAN ENRICHMENT PLANT. IN VARIOUS CONTACTS WITH GOA OFFICIALS, EMBASSY HAS CONFIRMED THAT GOA IS DEFINITELY WEIGHING BOTH US TECHNOLOGIES FOR SUCH A PLANT EVEN THOUGH MINERALS AND ENERGY MINISTER CONNOR TYPICALLY MENTIONS ONLY URENCO AND EURODIF POSSIBILITIES PUBLICLY. EMBASSY ALSO UNDERSTANDS GOA HOPES TO DECIDE ON TECHNOLOGY BEFORE THE END OF 1976.

2. ACTION REQUESTED: IF AUSTRALIA PROCEEDS WITH THIS PROJECT, IT COULD REPRESENT THE LARGEST U.S. EXPORT OPPORTUNITY IN AUSTRALIA'S HISTORY AS WELL AS HAVE CONFIDENTIAL.

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IMPORTANT RAMIFICATIONS FOR OTHER U.S. INTERESTS.
FOR THIS REASON, THE EMBASSY IS ANXIOUS TO ENSURE THAT
IT STAYS FULLY CURRENT RESPECTING USG ATTITUDES TOWARD
SUCH A PROJECT. IN THE LIGHT OF THE NUMEROUS PERTINENT
DEVELOPMENTS SINCE REFS B AND E, EMBASSY WOULD APPRECIATE
FRESH EVALUATION OF USG POSITION ON POSSIBLE AUSTRALIAN
FACILITY UPDATING THOSE MESSAGES AND COMMENTING
SEPCIFICALLY ON (1) EXTENT AND FORM OF ENCOURAGEMENT

AND ASSISTANCE EMBASSY FREE TO OFFER U.S. FIRMS WISHING TO SELL TECHNOLOGY, SERVICES AND HARDWARE FOR THE PROJECT; AND (2) THE PRESENT PROSPECTS THAT U.S. GASEOUS DIFFUSION AND GAS CENTRIFUGE TECHNOLOGY WOULD BE AVAILABLE FOR SUCH A FACILITY. WHILE EMBASSY GENERALLY AWARE, PRIMARILY THROUGH INDUSTRY CONTACTS, OF RECENT U.S. DEVELOPMENTS IMPINGING ON ABOVE QUESTIONS, WE WOULD FIND UPDATE OF PAST USG GUIDANCE ON THESE POINTS EXTREMELY VALUABLE. HARROP

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Message Attributes

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